

# Meal Counting System Instructions

This form is designed to be used at the point of service to mark as students receive reimbursable meals. It is marked as students pass the point of service and identify themselves by name.

1. Month: Enter the current month.
2. Room: Enter the current room number or teacher's name for this class.
3. Student name: List all students in the class alphabetically. Do not group students by meal type or code.
4. Code: Mark your code indicating whether the student is eligible to receive the meal free, reduced price or paid.
5. MTWTF: Fill in the appropriate dates. The first date recorded should be entered in the block that represents that day of the week. For example, if November 1 falls on a Thursday, enter 1 in the fourth block of the first group. Continue entering each day of the meal service for the month.
6. Blocks: Mark a horizontal line through all days of the month for the free students. Mark a horizontal line through the number of days a paying student or a reduced price student has prepaid. As the student receives a reimbursable meal, simply cross the diagonal. If a prepaid child misses a day, circle it and add a horizontal line to the next available open date.

## School Breakfast Daily Report

School \_\_\_\_\_ Date \_\_\_\_\_

Required information for student breakfasts served:

### Counts

Free Breakfasts Served \_\_\_\_\_

Reduced Price Breakfasts Served \_\_\_\_\_

Paid Breakfasts Served \_\_\_\_\_

Total Student Breakfasts \_\_\_\_\_

Optional Information:

Food Service Employees Served Breakfasts \_\_\_\_\_

Other Adult Breakfasts \_\_\_\_\_

## School Breakfast Daily Report Instructions

1. Enter appropriate school.
2. Enter appropriate date.
3. Enter total number of free breakfasts served that day.
4. Enter total number of reduced price breakfasts served that day.
5. Enter total number of paid breakfasts served that day.
6. Enter total number of reimbursable breakfasts served for that day.
7. Enter number of food service employees served breakfasts that day.
8. Enter number of any other adult breakfasts served that day.

# Money Counts

*Comparing the costs of your School Breakfast Program with its revenues is not as hard as you may think. This lesson includes a profit/loss worksheet that will help you determine the costs of a breakfast menu. It would be helpful to complete this lesson prior to meeting with school decision makers when requesting support for a School Breakfast Program.*



- To determine the actual cost of a school breakfast
- To understand the costing process in order to make appropriate changes for financial success
- To set a realistic meal charge for school breakfast
- To determine if your school is eligible for severe-need federal reimbursement



Target  
Audience

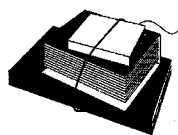
Food service managers and appropriate staff



Time

Lesson Time: 30-45 minutes

Preparation Time: 30-45 minutes to review the material and copy handouts



Materials

Overhead projector, flip chart or writing board, calculators

Handouts: Breakfast Menu Food Costs

Breakfast Profit/Loss Worksheets and Instructions

Severe Need Breakfast Eligibility

Additional resource: *Meeting the Challenge - Financial Strategies for Child Nutrition Programs* which was developed for the School Food Service Foundation by DairyMAX (800)728-0728.



Script

The script on the following pages is provided for your use. Notes to you are in ***bold italics***—they are not part of the script. Handouts can be made into transparencies or copied and distributed during your presentation.



## Script

As you know, we are going to start a breakfast program. One of the goals that we have for our program is to be financially sound. This can be challenging. There are several important areas that we must consider in order to understand how to develop the correct meal charge for our students. If we fail to charge enough for our meal, our program will lose money.

We are going to spend some time learning how to cost a sample breakfast menu. We can then evaluate how much time it will take an employee to prepare, serve and clean up the breakfast meal. There are also supplies that must be considered as part of the overall costs. ***(Display or hand out "Breakfast Menu Food Costs.")***

The pricing process begins with the food cost. I have just handed you a list of the foods from a day's menu that we can use to price our breakfast. Let's look at the costs of these foods. ***(Discuss and calculate the costs of breakfast items along with class members.)***

***(Display or hand out "Breakfast Profit/Loss Worksheets and Instructions." Refer to the completed Profit/Loss Worksheet after you have followed the instructions and completed the blank sheet.)*** Now, we will begin to put these figures together on our profit/loss worksheet. First, we need to enter the school name, date and total number of meals prepared. For our purposes today, we will prepare 115 meals. To get our total food cost, we multiply 115 meals by \$.66, the cost per meal. ***("Breakfast Profit/Loss Instructions" 1-4.)***

Usually we need to consider how we will use government commodities and how their costs will affect the final figure. But, for our purposes today we will not consider this.

Now that we have costed food items and the breakfast menu, we must evaluate the cost of the labor needed to prepare and serve the food. If we buy rather than prepare the food, the labor cost will be considerably lower. However, there will always be some labor involved, whether in the food preparation or in the line service and cleanup. We must develop a labor cost that is realistic. To do this, we can calculate an average hourly wage for our food service workers. Then we determine the time spent daily on the preparation, service and cleanup of the breakfast service. For our purpose today, we will figure 3 labor hours at a rate of \$9.00 per hour including benefits. ***("Breakfast Profit/Loss Instructions" 5.)***



## Script

Other items we should consider in costing include the cost of any paper and other non-food supplies used during service. The cost of non-food supplies is a fairly straightforward calculation procedure. We take the total cost of non-food supplies that were purchased for the entire school year and divide by the total days of operation. Then, take a percentage of this amount and use it every day as the supply cost for the breakfast program. For our purpose today, we will use \$.04 to cover a spork and a napkin and multiply that by 115 meals to get our total supplies cost. Equipment, supervision, transportation, etc., might be other costs that need to be considered. For our purposes, we will not have other costs. Let's total all of our expenses. (***“Breakfast Profit/Loss Instructions” 6, 7 & 8.***)

Pricing food items and menus for breakfast is parallel to pricing lunch. It involves intuition and knowledge of your customers and the market. Each school district must decide what the right selling price is. (***Check with surrounding school districts to see what they are charging as a reference to give you a place to start.***) Let's figure out our revenue. For our purpose today, we will sell our breakfast meal for \$.85 to paid students, \$.30 for reduced-price students, and \$1.15 for adults. We will have 25 paid, 10 reduced price, 5 adult meals and 75 free. We also need to enter a value for any other food served that will bring in revenue to the breakfast program, such as a la carte milk. For our purposes, we will not have any other food. Now let's total our revenue. Let's multiply and total these numbers to see what our revenue will be. (***“Breakfast Profit/Loss Instructions” 9-13.***)

It will be necessary to obtain the current meal reimbursement for breakfast served to the three categories of children. This will help determine your breakfast charge. You must determine (or estimate) the number of paid, reduced and free meals that you think that you will serve.

(***Current reimbursement rates can be obtained from your state agency.***) Reimbursement rates for free, reduced price and paid meals are effective July 1 through June 30 of each year unless modified by congressional action. A student receiving a free or reduced price lunch has the same eligibility in the School Breakfast Program. The maximum price charged to the reduced child is set by federal regulations. (***Fill in this year's rate and complete “Breakfast Profit/Loss Instructions” 14-17.***)

Now that we have calculated our total revenue and reimbursement, let's add them together for our total income. We can then subtract our expenses from this number and see if we are making a profit or losing money. Remember, if we are making a profit, that money goes back into our school food service funds. (***“Breakfast Profit/Loss Instructions” 18-20.***)



## Script

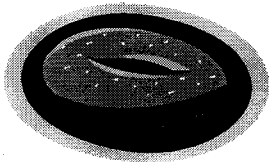
Another consideration when costing is severe need breakfast funding which provides additional reimbursement to eligible schools. A school qualifying for the severe need rate will receive the standard breakfast reimbursement rates for free and reduced price meals plus the additional severe need rate of \$.21 per meal (School Year 1999-2000 rate). The rule is that at least 40% of the reimbursable breakfasts that were served at the school year-before-last must have been served to free or reduced price children. Let's take a closer look at how this works.

***(Distribute and discuss "Severe Need Breakfast Eligibility." Check with your state agency to see if this process is done automatically or if you need to apply.)***

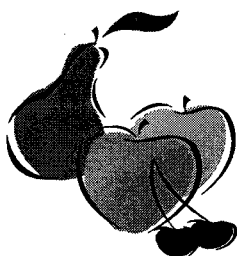
We have taken the first step toward sound financial management of our School Breakfast Program.

***(Don't forget to fill out an evaluation form for this lesson and mail it to your state agency.)***

# Breakfast Menu Food Costs



<b>Bagel</b>	<b>.34</b>
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<b>Fruit</b>	<b>.15</b>
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<b>Milk</b>	<b>.17</b>
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<b>Total Food Cost</b>	<b>\$ .66</b>
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# Breakfast Profit/Loss Instructions

1. Enter school name.
2. Enter date.
3. Enter total number of meals prepared.
4. Enter food cost.
5. Enter labor costs.
6. Enter any supply costs.
7. Enter other costs (equipment, supervision, transportation, etc.)
8. Total all meal expenses.
9. Enter number of paid meals and multiply by the meal price.
10. Enter the number of reduced price meals and multiply by the meal price.
11. Enter the number of adult meals and multiply by the meal price.
12. Enter any other food and multiply by the price of the item.
13. Add all of the revenue received and put total in total revenue blank.
14. Enter paid meals and multiply by the current rate of reimbursement.
15. Enter reduced price meals and multiply by the current rate of reimbursement.
16. Enter the free meals and multiply by the current rate of reimbursement.
17. Enter total for all federal reimbursement.
18. Add revenue and reimbursement and enter as total income.
19. Enter total for expenses.
20. Subtract one figure from the other to determine profit or loss for the day.



# Breakfast Profit/Loss Worksheet

School \_\_\_\_\_

Date \_\_\_\_\_

Number of Meals \_\_\_\_\_

## Expenses

Actual Total Food Cost	\$	_____
Total Labor Cost	\$	_____
Total Supplies Cost	\$	_____
Total Other Cost	\$	_____
Total Meal Expense	\$	_____

## Revenue

Paid children	_____	@ \$	_____	= \$	_____
Reduced price	_____	@ \$	_____	= \$	_____
Adult meals	_____	@ \$	_____	= \$	_____
Other food	_____	@ \$	_____	= \$	_____
Total Revenue		\$	_____		

## Reimbursement

Paid children	_____	@ \$	_____	= \$	_____
Reduced price	_____	@ \$	_____	= \$	_____
Free	_____	@ \$	_____	= \$	_____
Total Reimbursement		\$	_____		

Total Income	\$	_____
Less Total Expenses	\$	_____
Profit (+) or Loss (-)	\$	_____

# Severe Need Breakfast Eligibility

1. Obtain the total number of NSLP reimbursable lunches served at the school during the second preceding school year.

Example: 30,000 NSLP reimbursable lunches

2. Obtain the total number of free and reduced price lunches served during the second preceding school year.

Example: 10,000 free lunches and 4,500 reduced price lunches for a total of 14,500 free and reduced price lunches.

3. Out of the 30,000 NSLP reimbursable lunches served at the school during the second preceding school year, 14,500 were served to students eligible for free or reduced price meals.

$$\frac{14,500}{30,000} = 48\%$$
 of total NSLP lunches were free or reduced price

Since the percentage of free and reduced price lunches was 40% or more, this school would be eligible for severe need rate reimbursement for the School Breakfast Program. Check with your state agency for additional funding which may be available.

4. If you are eligible, contact your state agency to determine your reimbursement rate and procedures.